

# Return Reason Code Guide

2026



An essential quick-reference tool for Originators and Third-Party Senders, simplifying the most common ACH Return Reason and NOC codes.

Updated to reflect the new R16 and R90 Return Reason Code effective March 17, 2028

# RETURN REASON CODE GUIDE

## Introduction

This guide provides clear, practical guidance on **ACH return timeframes**, the meaning and use of **Return Reason Codes**, and the purpose of **Notifications of Change (NOCs)**. It is designed as a quick-reference resource to help Originators, Third-Party Senders, and ACH operations teams understand why entries are returned, how to interpret the associated codes, and what corrective actions may be required. By outlining the rules, timelines, and responsibilities involved in exception processing, this guide supports accurate ACH processing and strengthens overall compliance with the **Nacha Operating Rules**.

## What Is an ACH Return?

An **ACH Return** occurs when a Receiving Depository Financial Institution (RDFI) is unable or unwilling to post an ACH entry to the Receiver's account. Returns may result from issues such as invalid account numbers, insufficient funds, unauthorized transactions, or account restrictions. Each return is assigned a specific **Return Reason Code (R code)** that identifies the reason the entry could not be processed. Understanding these codes is essential for timely resolution, regulatory compliance, and maintaining strong payment operations.

## What Is a Notification of Change (NOC)?

A **Notification of Change (NOC)** is a message sent by an RDFI to inform an Originator that certain information in an ACH entry was incorrect and must be updated before future transactions are submitted. NOCs do not reject the original transaction; instead, they provide corrected information, such as updated account numbers, routing numbers, or account types, to prevent future exceptions. Properly reviewing and acting on NOCs helps reduce return rates, improve posting accuracy, and maintain compliance with Nacha Rules.

## How to Use This Guide

- Quickly identify the meaning of each ACH Return Reason Code and Notification of Change (NOC) code.
- Understand the operational impact of each code and the appropriate response required under the Nacha Rules.
- Improve exception handling processes and reduce repeat errors through clearer interpretation of return and NOC information.
- Support training for new staff and reinforce best practices for experienced ACH operations teams.

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Well-written policies and procedures are valuable in providing internal teams with clear actions to take when receiving a return or a Notification of Change that uses the Standard Entry Class Code COR. The following resource has been designed for Originators, Third-Party Senders, and Nested Third-Party Senders, and identifies the most common returns and Notifications of Change.

MOST COMMON RETURN REASON CODES				
Return Reason Code	Description	Timeframe	Account Type	Notes
R01 Insufficient Funds	The available and/or cash reserve balance is insufficient to cover the debit entry's dollar value.	2 Banking Days	Consumer or Non-Consumer	The entry can be originated a maximum of two times after the return of the original entry, subject to the Reinitiation requirements outlined in Article Two.
R02 Account Closed	A previously active account has been closed by the account holder or the financial institution.	2 Banking Days	Consumer or Non-Consumer	Contact the payment recipient and obtain authorization for another account.
R03 No Account/ Unable to Locate Account	The account number structure is valid, but either the individual identified in the entry does not correspond to the account number designated, or the account number designated is not an existing account.	2 Banking Days	Consumer or Non-Consumer	Contact the payment recipient and obtain authorization for another account.
R04 Invalid Account Number Structure	The account number structure is not valid.	2 Banking Days	Consumer or Non-Consumer	Contact the payment recipient and update the account number information.
R05 Unauthorized Debit to Consumer Account Using Corporate SEC Code	CCD or CTX debit entry was transmitted to a consumer account and was not authorized by the consumer.	60 Calendar Days	Consumer	Stop initiating further entries. Obtain a new authorization from their payment recipient and correct the Standard Entry Class code.
R06 Returned Per ODFI's Request	The ODFI has requested the return of an entry.	Determined between FIs	Consumer or Non-Consumer	
R07 Authorization Revoked by Customer	The payment recipient revoked the authorization previously provided to your company for the debit entry.	60 Calendar Days	Consumer	Stop initiating further entries. Obtain new authorization from the payment recipient.

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Return Reason Code	Description	Timeframe	Account Type	Notes
R08 Payment Stopped	The payment recipient has placed a stop payment order on the debit entry.	2 Banking Days	Consumer or Non-Consumer	Contact the payment recipient to determine why the payment was stopped. A stop payment order may be placed on one or more debit entries. A Stop Payment order can be placed on a single incoming debit or recurring debits, preventing them from posting to the recipient's account. Contact the recipient before originating the next debit.
R09 Uncollected Funds	A sufficient ledger balance exists to satisfy the dollar value of the transaction, but the available balance is below the dollar value of the debit entry.	2 Banking Days	Consumer or Non-Consumer	The entry can be originated a maximum of two times after the return of the original entry, subject to the Reinitiation requirements outlined in Article Two.
R10 Customer advises your company is not known to the Receiver and/ or your company is not authorized to Debit Receiver's Account	The Receiver notified its bank that they do not know the identity of the Originator, has no relationship, or has not authorized your company to debit their account. For ARC and BOC entries, the Receiver's signature on the source document is not authentic, valid, or authorized. The Receiver's signature on the written authorization is not authentic, valid, or authorized for POP entries.	60 Calendar Days	Consumer also Non-Consumer for ARC, BOC, IAT, or POP, Entries Refer to Article Three.	Stop the initiation of further entries and obtain new authorization to initiate a new entry.

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Return Reason Code	Description	Timeframe	Account Type	Notes
R11 Customer Advises Entry Not in Accordance with the Terms of the Authorization	<p>The payment recipient acknowledges that a debit authorization exists, but there is an error within the payment such that the entry does not conform to the terms of the authorization. For example, the entry is for an amount different than authorized; the entry was initiated for settlement earlier than authorized; the entry is part of an incomplete transaction; the debit entry was improperly reinitiated; for an ARC, BOC, or POP entry, the source document was ineligible, notice was not provided, the amount of the entry was not accurately obtained from a source document.</p> <p>The reversing entry was improperly initiated.</p> <p>The payment recipient didn't affirmatively initiate a subsequent entry in accordance with the terms of the standing authorization.</p>	60 Calendar Days	Consumer also for Non-Consumer ARC, BOC, POP, and IAT Entries	<p>Contact the payment recipient to determine proper origination terms (frequency, date, or amount) prior to initiating subsequent entries. May initiate a new entry to correct the underlying error without obtaining a new authorization.</p> <p>Not to be used for the following:</p> <ul style="list-style-type: none"> <li>To return CCD or CTX entries. For CCD or CTX to consumer accounts, see R05. For CCD or CTX Entries to Non-Consumer Accounts, see R29.</li> <li>When a relationship does not exist between the parties.</li> <li>ARC and BOC entries for which the payment recipient has notified their financial institution that the signature on the source document is not authentic or authorized.</li> </ul> <p>POP entries for which the payment recipient has notified their financial institution that the signature on the written authorization is not authentic or authorized.</p>
R14 Representative Payee Deceased or Unable to Continue in that Capacity	The beneficiary's representative (Known as a representative payee) is deceased or no longer able to act in that capacity.	2 Banking Days	Consumer or Non-Consumer	The Representative Payee is a person or institution authorized to accept Entries on behalf of one or more other people, such as legally incapacitated adults or minor children. Begin researching, do not reinitiate the Entry.

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Return Reason Code	Description	Timeframe	Account Type	Notes
R15 Beneficiary or Account Holder (other than Representative Payee) Deceased	The beneficiary or the account holder is deceased.	2 Banking Days	Consumer	The Beneficiary is the person entitled to the benefits or entry and may or may not be the account holder; or the account holder is the owner of the account and is not the representative payee. Begin researching, do not reinitiate the Entry.
R16 Account Frozen/Entry Returned Per OFAC request	Accounts may be frozen for a variety of reasons, including but not limited to the following: <ul style="list-style-type: none"> <li>• Actions taken by the Receiving Financial Institution,</li> <li>• Court order,</li> <li>• OFAC instructions.</li> </ul>	2 Banking Days	Consumer or Non-Consumer	Currently, R16 is used for both OFAC and when the RDFI restricts access due to specific actions taken by the bank or legal action. <ul style="list-style-type: none"> <li>• Ensure that the account is not frozen as a result of OFAC. If the Receiver is on SDN, follow your OFAC procedures.</li> </ul>
R16 Account Frozen <i>(Effective March 17, 2028)</i>	Access to the account is restricted due to specific action taken by the RDFI or by legal action.  <i>(See R90, the new Return Reason Code used when the RDFI returns due to OFAC Sanctions Compliance Obligations)</i>	2 Banking Days	Consumer or Non-Consumer	<ul style="list-style-type: none"> <li>• Contact the Receiver to obtain an alternate account.</li> <li>• Account freezes are generally not permanent but, in most cases, will require specific action on the part of the payment receiver.</li> </ul> <i>Effective March 17, 2028, this code will be split into R16 and R90 (to designate an OFAC Sanction Obligation)</i>
R17 File Record Edit Criteria / Entry Initiated under Questionable Circumstances/Return of Improperly Initiated Reversal	<ol style="list-style-type: none"> <li>(1) Data fields contained in entry cannot be processed by RDFI</li> <li>(2) RDFI has not posted entry because it believes that the entry was initiated under questionable circumstances (i.e., without authorization, under False Pretenses</li> <li>(3) RDFI or Receiver identified a Reversing entry as one that was improperly initiated.</li> </ol>	2 Banking Days	Consumer or Non-Consumer	When the RDFI deems the entry has been initiated under questionable circumstances (improper or False Pretense) it must place "QUESTIONABLE" within the first 12 positions of the Addenda record. The RDFI may place additional explanatory information within the remaining positions of this field. Begin researching, do not reinitiate the Entry.

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MOST COMMON RETURN REASON CODES				
Return Reason Code	Description	Timeframe	Account Type	Notes
R20 Non-Transaction Account	Entry is trying to post to a non-transactional account.	2 Banking Days	Consumer or Non-Consumer	A non-transactional account is defined under Regulation D; Entries are prohibited or limited. Obtain new authorization.
R23 Credit Refused by Receiver	Any credit entry that is refused by the Receiver can be returned by the RDFI.	RDFI must transmit the return to the ODFI no later than the opening of business on the second banking date following the refusal notice.	Consumer or Non-Consumer	Reasons for refusal include, but are not limited to: (1) the minimum amount due was not received. (2) Exact amount required not received (3) Acceptance will result in overpayment (4) Originator not known by Receiver (5) Receiver has not authorized credit entry. (6) Acceptance binds the Receiver
R38 Stop Payment on Source Document	The checkwriter has placed a stop payment order on the check, which has been converted to an ARC or BOC entry.	60 Calendar Days	Consumer or Non-Consumer	Contact the checkwriter to resolve this. Do not reinitiate entry.
R39 Improper Source Document/Document Presented for Payment	The receiver's financial institution determines that the check used for an ARC, BOC, or POP entry to its Receiver's account is improper.  An ARC, BOC, or POP entry and the check to which the entry relates have been presented for payment and posted to the recipient's account.	2 Banking Days	Consumer or Non-Consumer	Must not reinitiate entry. The check "may" be presented for payment if the return is due to an improper reason.  Refer to Article Three, Subsection 3.12 – Improper ARC, BOC, POP, and RCK Debit Entries. Article Eight, Section 8.36 Eligible Source Document.
R90 Entry Returned Due to RDFI's Sanctions Compliance Obligations <i>(Effective March 17, 2028)</i>	The RDFI/Gateway has determined that the Entry must be returned to comply with its sanction compliance obligations.  <i>(New Return Reason Code used when the RDFI returns due to OFAC Sanctions Compliance Obligations.)</i>	RDFI must transmit the return to the ODFI no later than the opening of business on the second banking date following sanctions compliance determination.	Consumer or Non-Consumer	

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## RETURN REASON CODE GUIDE

A **Dishonored Return** is a Return Entry Transmitted by the ODFI when the information from the original Entry is either (1) returned by the ODFI in an untimely manner or (2) contains incorrect or incomplete information.

CHANGE CODES FOR DISHONORED RETURN ENTRIES				
Return Reason Code	Initiated By	Description	Timeframe	Account Type
R61 Misrouted Return	ODFI	The financial institution preparing the Return Entry (the RDFI of the original Entry) has placed the incorrect Routing Number in the Receiving DFI Identification field.	Within five Banking days after the Settlement date of the Return.	Consumer or Non-Consumer
R62 Return of Erroneous or Reversing Debit	ODFI	The Originator's/ODFI's use of the reversal process has resulted in or failed to correct an unintended credit to the Receiver.	Within five Banking days after the Settlement date of the Return.	Consumer or Non-Consumer
R67 Duplicate Return	ODFI	The ODFI has received more than one Return for the same entry.	Within five Banking days after the Settlement date of the Return.	Consumer or Non-Consumer
R68 Untimely Return	ODFI	The Return entry has not been sent within the time frame established by the Rules.	Within five Banking days after the Settlement date of the Return.	Consumer or Non-Consumer
R69 Field Errors	ODFI	One or more of the field requirements is incorrect. The RDFI must insert the appropriate code within the Addenda Information Field of the Addenda Record of the Dishonored Return to indicate the field of the Addenda Record of the Dishonored Return to indicate the field(s) in which the error occurred.	Within five Banking days after the Settlement date of the Return.	Consumer or Non-Consumer
R70 Permissible Return Entry Not Accepted / Return not Requested by ODFI	ODFI	The ODFI has received a Return entry identified by the RDFI as being returned with the permission of, or at the request of, the ODFI; however, the ODFI has neither agreed to accept the Entry or has not requested its return.	Within five Banking days after the Settlement date of the Return.	Consumer or Non-Consumer

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A **Contested Dishonored Return** is a Return Entry Transmitted by the RDFI to the ODFI in response to a dishonored Return Entry that the RDFI disputes. The ODFI must accept a Contested Dishonored Return Entry transmitted by the RDFI that complies with the Rules. This sequence of steps stops with the RDFI. After transmitting a Contested Dishonored Return, an RDFI or an ODFI would have to look outside the ACH Network to recover those funds.

CHANGE CODES FOR CONTESTED DISHONORED RETURN ENTRIES				
Return Reason Code	Initiated By	Description	Timeframe	Account Type
R71 Misrouted Dishonored Return	RDFI	The financial institution preparing the Dishonored (the ODFI of the Entry) has placed the incorrect Routing Number in the Receiving DFI identification field.	Within two Banking days after the Settlement Date of the Return Entry.	Consumer or Non-Consumer
R72 Untimely Dishonored Return	RDFI	The Dishonored Return Entry has not been sent within 5 Banking days.	Within two Banking days after the Settlement Date of the Return Entry.	Consumer or Non-Consumer
R73 Timely Original Return	RDFI	The RDFI certifies that the original Return entry was sent within the timeframes allowed by the Rules.	Within two Banking days after the Settlement Date of the Return Entry.	Consumer or Non-Consumer
R74 Corrected Return	RDFI	The RDFI is correcting a previous Return Entry that was Dishonored using Return Reason Code R69 (Field errors) because it contained incomplete or incorrect information.	Within two Banking days after the Settlement Date of the Return Entry.	Consumer or Non-Consumer

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A **Notification of Change** is a Non-Monetary Entry transmitted by an RDFI for the purpose of identifying incorrect information contained within an Entry and providing correct data to be used in future Entries. A NOC is also known by the SEC Code “COR.”

## CHANGE CODES FOR NOTIFICATION OF CHANGE ENTRIES

Return Reason Code	Initiated By	Corrected Data Provided by RDFI	Timeframe	Possible Cause	Notes
C01 Incorrect DFI Account Number	RDFI	Correct DFI Account Number in the first 17 positions.	2 Banking Days from the original Entry Settlement Date	It may also be used when the account number is “incorrectly” formatted.	The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C02 Incorrect Routing Number	RDFI	The Correct Routing Number (including Check Digit) appears in the first nine positions.	2 Banking Days from the original Entry Settlement Date	As a result of a merger or Routing Number (RT) consolidation, the once-valid RT has changed.	The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C03 Incorrect Routing Number and Incorrect DFI Account Number	RDFI	The Correct Routing Number (including Check Digit) appears in the first nine positions.  The Correct DFI account number appears in the 13th–29th positions, with spaces in the 10th, 11th, and 12th positions.	2 Banking Days from the original Entry Settlement Date	As a result of a merger or RT consolidation, the once-valid RT has changed, impacting the account number structure.	The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C04	After March 20, 2015, the Change Code C04 will no longer be available for use.				

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## CHANGE CODES FOR NOTIFICATION OF CHANGE ENTRIES

Return Reason Code	Initiated By	Corrected Data provided by RDFI	Timeframe	Possible Cause	Notes
C05 Incorrect Transaction Code	RDFI	The correct Transaction Code appears in the first two positions.	2 Banking Days from the original Entry Settlement Date	The entry contains a Transaction code for a savings account when it should be a checking account or vice versa.	The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C06 Incorrect Account Number and Transaction Code	RDFI	C06 Incorrect DFI Account Number and Incorrect Transaction Codes	2 Banking Days from the original Entry Settlement Date	Incorrect account number and wrong transaction code, savings used instead of checking, or vice versa.	The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C07 Incorrect Routing Number, Incorrect DFI Account Number, and Incorrect Transaction Code	RDFI	The Correct Routing Number appears in the first nine positions.  Account Number appears in positions 10 – 26.  The transaction code appears at positions 27 and 28.	2 Banking Days from the original Entry Settlement Date	Multiple errors were detected. See C02, C03, C05, and C06.	The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C08 Incorrect Receiving DFI Identification (IAT Only)	RDFI	Correct receiving DFI appears in the first 34 positions.	2 Banking Days from the original Entry Settlement Date		The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.

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Return Reason Code	Initiated By	Corrected Data provided by RDFI	Timeframe	Possible Cause	Notes
C09 Incorrect Individual Identification Number/ Incorrect Receiver Identification Number	RDFI	The correct number appears in the first 22 positions.	2 Banking Days from the original Entry Settlement Date		The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C13 Addenda Format Error	RDFI	The information in the Entry Detail Record was correct, and the Entry could be processed and posted by the RDFI. However, the information found in the Addenda record was unclear or formatted incorrectly.	2 Banking Days from the original Entry Settlement Date		The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.
C14 Incorrect SEC Code for Outbound International Payment	Gateway or RDFI	The RDFI/Gateway has identified the Entry as an Outbound international payment and is requesting that future Entries be identified as IAT Entries and convey information required by the Gateway for OFAC compliance. The value "IAT" must appear within the first 3 positions.	2 Banking Days from the original Entry Settlement Date	When the RDFI receives a PPD or a CCD Entry with instructions "for further credit to" or identifies an international funds flow.  Refer to Section V of the Nacha Operating Guidelines.	The Originator or Third-Party Sender must update the payment info within six banking days of receiving a Notification of Change (NOC), or before sending another payment to that account, whichever is later.